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100TH CONGRESS
2d Session

SENATE

REPORT
100-423

CERTIFICATE OF DOCUMENTATION FOR THE VESSEL "COMPASS ROSE III"

JULY 8, 1988.—Ordered to be printed

Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 2493]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2493) to authorize a certificate of documentation for the vessel *Compass Rose III*, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE LEGISLATION

S. 2493, as reported, grants coastwise trading privileges to the *Compass Rose III*.

BACKGROUND AND NEEDS

Section 27 of the Merchant Marine Act, 1920, commonly referred to as the Jones Act, requires that vessels transporting passengers between points in the United States be constructed in the United States, be continuously owned by U.S. citizens, and be continuously operated under the U.S. flag. The Jones Act applies to all vessels, irrespective of size or intended use.

When the facts applicable to a particular vessel suggest that the U.S.-built or the U.S.-owned requirements have not been satisfied, the Coast Guard may not issue a document granting coastwise trading privileges for that vessel unless the requirements are statutorily waived.

The *Compass Rose III* (official number 559647) is a 43-foot yacht and was built in 1973 by the Cheoy Lee Shipyard of Kowloon, Hong Kong. Mr. Charles Fraser, a resident of Hilton Head Island, SC,

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purchased the *Compass Rose III* in 1975. Mr. Fraser wishes to make the vessel available for charter by tourists visiting Hilton Head. The typical charter arrangement would be in the nature of an afternoon sightseeing excursion of the islands in that area. However, for purposes of the Jones Act, this activity would constitute coastwise trading. Therefore, because this vessel was constructed in a foreign shipyard, and may be used to carry passengers, a Jones Act waiver must be obtained before the vessel may engage in such coastwise trading.

LEGISLATIVE HISTORY

S. 2493 was introduced on June 10, 1988, by Senator Hollings. On June 28, 1988, in open executive session, the Committee considered S. 2493, and ordered the legislation reported favorably without objection and without amendment.

ESTIMATED COST

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 30, 1988.

Hon. ERNEST F. HOLLINGS
Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed S. 2493, a bill to authorize a certificate of documentation for the vessel *Compass Rose III.* This bill was ordered reported by the Senate Committee on Commerce, Science, and Transportation on June 28, 1988. Enactment of S. 2493 is not expected to have any impact on the federal budget or on those of state or local governments.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM,
Acting Director.

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported.

Because S. 2493 does not create any new programs, the legislation will have no additional regulatory impact, and will result in no additional reporting requirements. The legislation will have no futher effect on the number or types of individuals and businesses regulated, the economic impact of such regulation, the personal privacy of affected individuals, or the paperwork required from such individuals and businesses.

SECTION-BY-SECTION ANALYSIS

The bill consists of one section. It provides that, notwithstanding sections 12105, 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920, as applicable on the date the bill is enacted, the *Compass Rose III* may be issued a certificate of documentation to engage lawfully in the coastwise trade.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee states that the bill as reported would make no change to existing law.

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